

October 11, 2019

Volume 25, Issue 27

For more information on Michigan's gaming industry, please visit www.michigangaming.com

Editor in Chief

David D. Waddell, Esq.
Phone: 517.507.3859
waddell@rmclegal.com

*Senior Gaming Analyst
& Editor*

Robert R. Russell, II
Phone: 517.507.3858
russell@rmclegal.com

Reporter and Associate Editor

J.J. Burchman, Esq.
Phone: 517.999.5414
burchman@rmclegal.com

Reporter and Junior Editor

Julie Williams
Phone: 517.507.3861
jwilliams@rmclegal.com

Reporter

Gabrielle Davis
Phone: 517.999.5416
gdavis@rmclegal.com

Subscription information:
info@michigangaming.com

A publication of
RMC Ventures, LLC

Asher Court
321 W. Lake Lansing Rd.
East Lansing, MI 48823
Phone: 517.507.3860
Fax: 517.908.0235
www.rmclegal.com

The _____ MICHIGAN GAMING _____ Newsletter



MICHIGAN GAMING CONTROL BOARD RELEASES DETROIT CASINO REVENUES & WAGERING TAXES FOR SEPTEMBER 2019 AND 3RD QUARTER 2019

In a [press release](#) dated October 8, 2019, the Michigan Gaming Control Board ("MGCB" or "Board") released the September 2019 revenue figures for the three Detroit casinos: MGM Grand Detroit Casino, MotorCity Casino and Greektown Casino. The MGCB released numbers for the third quarter of 2019 as well.

The three Detroit casinos reported \$112.3 million in aggregate revenue for September 2019, a 2.5% decline from the same month last year. The results were 6.3% below the monthly revenue in August 2019.

Please see the linked [State of Michigan official financial report](#).

Revenue decreased at MGM by 6.4% to \$46.5 million. MotorCity recorded a revenue increase of 0.1% to \$38.9 million. Greektown revenue increased by 0.7% to \$26.9 million, all compared with September 2018 results.

The September 2019 market shares for MGM Grand Detroit, MotorCity Casino and Greektown Casino were 41%, 35% and 24% respectively.

During September 2019, the three Detroit casinos paid \$9.1 million in gaming taxes to the State of Michigan, compared with \$9.3 million for the same month last year. The three casinos reported submitting \$13.8 million in wagering taxes and development agreement payments to the City of Detroit in September 2019.

Third Quarter Report 2019

Third quarter combined aggregate revenue of \$1.09 billion was a 0.3% increase from the same period last year. For the quarter, MGM Grand Detroit

reported \$151.2 million for a 1.3% decrease in revenue. Greentown revenue at \$80.3 million was down 2.6% but MotorCity's quarterly revenue of \$119.6 million was up 0.3% compared with last year.

All three casinos are subject to a wagering tax of 19%, with 10.9% of this levy payable to the City of Detroit and 8.1% payable to the State of Michigan.

The figures released by the Board are the gross receipts less winnings paid to wagerers. The figures do not include: 1) any fees or other relevant city, state or federal taxes; 2) wages and benefits paid to casino employees; 3) payments to suppliers, services providers or vendors; nor 4) other normal business expenses.

MICHIGAN TRIBES DISTRIBUTED \$30.1 MILLION IN GAMING REVENUE SHARING IN 2018

Per a [press release](#) dated October 10, 2019, a dozen Michigan tribes have distributed \$30.1 million in casino gaming revenue to local units of government, school districts and revenue sharing boards during fiscal year 2018. This information is detailed in [Receipts and Distribution of Indian Casino Revenue by Local Revenue Sharing Boards](#), a report published by the Michigan Gaming Control Board (MGCB). The report includes revenue sharing distributions for each tribe to the local communities. As required by Public Act 207 of 2018, the MGCB prepares the report annually.

Overall, revenue sharing was up 0.87 percent from 2017, which indicates slight year-over-year growth in the tribes' net win from slot machines.

Tribal gaming compacts with the state of Michigan, and associated federal court consent judgments, require payments to local governments or revenue sharing boards. The revenue sharing amount equals 2 percent of the tribal casinos' net win from slot machines.

The tribes participating in the revenue sharing are:

- Bay Mills Indian Community
- Grand Traverse Band of Ottawa and Chippewa Indians
- Match-E-Be-Nash-She-Wish Band of Pottawatomini Indians (Gun Lake Tribe)
- Hannahville Indian Community
- Keweenaw Bay Indian Community
- Lac Vieux Desert Band of Lake Superior Chippewa Indians
- Little River Band of Ottawa Indians
- Little Traverse Bay Bands of Odawa Indians
- Nottawaseppi Huron Band of the Potawatomi Indians
- Pokagon Band of Potawatomi Indians
- Saginaw Chippewa Indian Tribe
- Sault Ste. Marie Tribe of Chippewa Indians

Since 1994, Native American tribes operating casinos in Michigan have paid more than \$497 million in revenue sharing payments to local units of government and revenue sharing boards.

1ST CIRCUIT COURT SETS BRIEFING SCHEDULE IN WIRE ACT CHALLENGE

The 1st Circuit Court of Appeals has released the briefing schedule for the appeal related to the New Hampshire Lottery's and NeoPollard's challenge to the Department of Justice's reinterpretation of the Wire Act's scope. As reported previously in [Issue 21 of the Michigan Gaming Newsletter](#), the DOJ filed a notice of appeal in August 2019 to the 1st Circuit, challenging the New Hampshire Federal District Court's ruling that the Wire Act does not apply to forms of online gambling other than sports gambling. The ruling was contrary to the DOJ's reinterpretation opinion that it released in January 2019 that the Wire Act applied to all forms of online gambling.

According to the scheduling order, the DOJ must file its briefs no later than November 12, 2019. The New Hampshire Lottery, NeoPollard, and other state lotteries must then file their briefs within 30 days of the DOJ's briefs, likely to be December 12, 2019. Finally, the DOJ will then

have to file any reply brief within 21 days of the New Hampshire Lottery's brief, likely to be January 2, 2020. Once all briefs are filed, the 1st Circuit will set a date for oral arguments. The case will be heard by a 3 member panel of judges drawn from the 10 justices comprising the 1st Circuit Court of Appeals.

FOUR WINDS CASINO SOUTH BEND OPENS HIGH LIMIT ROOM

The Pokagon Band of Potawtomi Indians announced last week the opening of a new High Limit Gaming room at the Four Winds Casino in South Bend. In a press release, Four Winds detailed the new gaming room: "There are 30 high limit games that offer a wide range of betting options. The high limit area includes a private jackpot processing area along with popular games such as Double Diamonds, Triple Stars, Triple Butterfly 7's, Dancing Drums, Eagle Bucks, and Crystal Star Deluxe."

The new gaming room replaces space that had previously been occupied by the Outfitters Gift Shop. Frank Freedman, COO of Four Winds Casino, noted: "We are constantly striving to enhance the experience of our guests and the new addition of the high limit room at Four Winds South Bend will create some new excitement for players seeking higher stakes on several popular games."

FIREKEEPERS CASINO ANNOUNCES DEAL WITH INTELITY®

As part of its multi-million dollar expansion as detailed in [Issue 17 of The Michigan Gaming Newsletter](#), FireKeepers Casino has announced that it has partnered with INTELITY®, the premier guest engagement and staff management program in hospitality. FireKeepers will use INTELITY® to enable guests to have access to a branded mobile app permitting mobile check-in, mobile room keys, and the ability to request and book hotel amenities. Guests in the renovated

hotel will enjoy in-room tablets that will run the platform.

"We know our guests are looking for mobile check-in and enhanced on-demand services," said Jim Wise, FireKeepers VP of Marketing. "As we invest in expanding our award-winning hotel, we also wanted to invest in technology that dramatically exceeds guests' expectations - INTELITY helps drive that result."

AMERICAN GAMING ASSOCIATION ANNOUNCES NEW ADDITIONS TO SENIOR STAFF

Per a [press release](#) dated October 10, 2019, the American Gaming Association (AGA) has added four new senior-level staff members, furthering the association's success in serving its members and the rapidly evolving gaming industry. These new additions reflect AGA's growth and commitment to advocacy.

Joining AGA are:

- **Cait DeBaun**, senior director of strategic communications;
- **Jessica Feil**, senior director of government relations;
- **Meredith Pallante**, senior director of events; and
- **Gabrielle Voorhees**, senior director of finance.

"There's never been a more exciting time to be a part of the gaming industry, and our ability to attract this level of talent reflects that," said Bill Miller, president and CEO. "These four, high-caliber professionals represent a broad array of experience and talent that will be an asset to our industry and our members day in and day out."

These additions compliment organizational changes announced earlier this summer, reflecting AGA's enhanced focus on industry modernization and communications. To learn more, please click [here to visit the AGA website](#).